

Global Markets Advisory Committee Balanced Membership Plan

(1) **Committee Name.** Global Markets Advisory Committee

(2) **Authority.** Committee established by authority of the Commission

(3) **Mission/Function.** Pursuant to the committee charter, the objectives and scope of activities of the Global Markets Advisory Committee (“Committee”) are to consider and make recommendations regarding the regulatory issues specific to a global derivatives marketplace. More specifically, the charter provides that the Committee will:

- help the Commission determine how it can avoid unnecessary regulatory or operational impediments to global business while still preserving core protections for customers and other market participants;
- make recommendations for appropriate international standards for regulating futures and derivatives markets, as well as intermediaries;
- assist the Commission in assessing the impact on U.S. markets and firms of the Commission’s international efforts and the initiatives of foreign regulators and market authorities; and
- identify methods to improve both domestic and international regulatory structures while continuing to allow U.S. markets and firms to remain competitive in the global market.

(4) **Points of View.**

(a) **Subject matter expertise and perspectives that should be represented on the committee:** The Committee membership should reflect the array of interests that constitute the global futures and derivatives market. The interests represented on the Committee should include each of the major categories of entities that are active participants in this market and that are immediately and directly affected by the Commission’s regulatory decisions on global market issues. These include domestic and foreign exchanges, trading firms, intermediaries, and end users that trade in global markets.

To advise the Commission effectively, the Committee requires members with deep expertise and experience in (i) the operation of electronic and physical venues for futures, options, and other derivatives trading; (ii) the clearing and intermediary functions associated with such trading; (iii) the legal and regulatory regimes that govern trading in national jurisdictions, including applicable bankruptcy and insolvency laws. The major global market participants are among the primary sources of these forms of knowledge and experience. These entities should be represented by individuals that share in this expertise and can represent their interests in a way that helps the Commission to understand and resolve highly technical issues.

While participants in the global futures and derivatives markets share a common interest in the stable and efficient functioning of these markets, they often have conflicting interests with respect to particular business and regulatory issues. By appointing representatives of the range of different categories of market participants, the Commission expects to hear diverse viewpoints on contested issues as well as benefiting from members' high level practical expertise in the operation of these markets.

(b) Approximate number of individuals representing various perspectives:

Type of Entity Represented	Approximate Number of Members ¹
Exchanges and Clearing Houses	5-9
Brokers and Other Market Intermediaries	5-9
Derivatives Dealers	1-4
Market End Users-Financial	1-4
Market End Users-Commercial	1-4
Providers of Software or Other Services	1-2
Non-Exchange Self-Regulatory Organizations	1 ²

(c) Explanation of determination to appoint individuals as representative members: Committee members will generally be representatives rather than special government employees. The particular members will be chosen to individually and collectively represent the organizations and entities that constitute and actively participate in the global futures and derivatives markets. Depending on the issues faced by the Commission in the future, the Commission may, from time to time, appoint academic experts or officials of other federal agencies to the Committee.

(5) Other balance factors. None.

(6) Candidate Identification Process.

(a) Process and Agency Staff Responsibilities: Pursuant to the charter, members of the committee are appointed by vote of the Commission. Potential members generally will be identified and recommended to the Commission by the committee chairman, working with the Designated Federal Officer ("DFO"). In identifying interests that should be represented on the committee and appropriate individuals to represent them, the committee chairman and DFO can take advantage of agency expertise concerning the structure of the global futures and derivatives industry and the industry's major participants. The chairman and DFO also will consult with outside persons including, but not limited to, all significant categories of participants in the global futures and derivatives markets and U.S. and foreign regulators.

¹ The precise number of members in any category is expected to vary over time.

² At the present time there is one non-exchange derivatives industry designated self-regulatory organization in the U.S.

(b) Vacancies: Appointments to fill vacancies will be handled in the same manner as other appointments to the committee. The committee charter does not specify a fixed or required number of members for the committee. When a member leaves the committee, the committee chairman, working with the DFO, will make a determination as to whether the interest represented by the member in question remains adequately represented by other members. Depending on the determination that is made, the member may be replaced by another individual representing the same or a different interest or may not be replaced. New members may also be appointed at any time to assist with the work of the committee or to broaden or otherwise improve the representation of interests affected by the Commission's regulation of global markets.

(d) Terms: Members currently are appointed without fixed terms. Pursuant to the charter, members may be removed at any time by vote of the Commission.

(7) Date. September 30, 2010